# GOVERNMENT OF INDIA
# PLANNING
# LOK SABHA

UNSTARRED QUESTION NO:3416
ANSWERED ON:22.03.2017
Regional Disparity
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**Will the Minister of PLANNING be pleased to state:**

(a)whether according to a new study the regional disparity has been growing over the years;

(b)if so, the details thereof and the reasons therefor;

(c)whether development clusters, combinations of quality service delivery and high per capita income are emerging more among the developed States leaving behind the less-developed States;

(d)if so, the details thereof; and

(e)the measures undertaken by the Government to address the aforementioned problems and bridge the growing gap between States?

## Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING AND MINISTER OF STATE FOR MINISTRY OF URBAN DEVELOPMENT AND
MINISTRY OF HOUSING & URBAN POVERTY ALLEVIATION

(RAO INDERJIT SINGH)

(a) to (d) The sub-continental dimensions of India, with inherent differences in geographical parameters and historical developments, have led to regional disparities in the levels of development of different areas, owing to the differences in resource endowment, levels of infrastructure and socio-economic parameters. Several studies have also been undertaken by Economic Institutions/Academicians/Researchers etc. An article titled "Governance performance of Indian States' authored by 3 academicians has been found to be published in Economic and Political Weekly in its 3rd September, 2016 edition.

This article has claimed to have considered only five sets of criteria i.e. infrastructure, social services, fiscal performance, justice- law and order and quality of the legislature to analyse the Governance performance of Indian States. In this Article, it has been assessed that the ranking in respect of infrastructure delivery, social services delivery, fiscal performance delivery, justice-law and order and quality of legislature rank has undergone quite a few changes in the top & bottom ranks but in respect of overall Governance performance Index, the rankings have been broadly the same. This Article has also highlighted that after adjusting for the level of development, some of the less developed States like Bihar and Chhattisgarh have moved up quite significantly in the service delivery ranking.

(e) In view of the background of Regional Disparities, the Union Government's aim has been to promote inclusive and balanced growth. The Government has already accepted the recommendations of the Fourteenth Finance Commission (FFC) for increasing the share of the States in the net proceeds of Union taxes which has significantly been enhanced from 32% to 42% which is the biggest ever increase in vertical tax devolution/ Share of States in the central divisible pool. Development of States is primarily the responsibility of the State Governments concerned. The States have been implementing their own schemes to address specific development needs to bridge intra-state and inter-state disparities.

Further, as per the recommendations of the Sub-Group of Chief Ministers and consultations with various Ministries/Departments and other stakeholders, Government of India has decided to rationalize the existing 66 Centrally Sponsored Schemes (CSS) into 28 Umbrella Schemes. The funding pattern for 8 North Eastern States and Himalayan States of Uttrakhand, Himachal Pradesh and Jammu and Kashmir has been kept at Centre :90% and State 10% whereas for the rest of the States this ratio has been kept at Centre : 60% and State: 40% for Core CSS. Also, the flexi-funds available in each CSS has been raised from the current level of 10% to 25% for States and 30% for UTs of the overall annual allocation under each Scheme so that the implementation can be better attuned to the needs of individual State/UTs.

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